

# Proposal For External Audit Services



## Attention:

**Tim Pidduck - General Manager/Secretary-Treasurer  
Crowe Valley Conservation Authority**

70 Hughes Lane P.O. Box 416 Marmora, ON K0K 2M0

Tel: 613-472-3137 Fax: 613-472-

## Prepared by:



**J.D. Watson & Associates**  
CHARTERED PROFESSIONAL ACCOUNTANT

**Assurance - Tax - Accounting**

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**February 5, 2020**

**Tim Pidduck - General Manager/Secretary-Treasurer  
Crowe Valley Conservation  
70 Hughes Lane P.O. Box 416 Marmora, ON K0K 2M0**

**Dear Mr. Tim Pidduck and Board Members,**

Thank you for the opportunity to work with The Crowe Valley Conservation Authority. I am submitting this proposal to provide assurance services only after carefully reviewing your December 31, 2018 financial statements.

We strive to provide excellent timely service. To accomplish this, J.D. Watson & Associates has compiled a team lead by Jason Watson, CPA, CA that will provide assurance services of the highest standard. Our firm has extensive experience in assurance services under generally accepted audit standards and is an active member in the Chartered Professional Accountants of Ontario.

In this proposal, we have attempted to provide sufficient information so that you and your board can make an informed decision that J.D. Watson & Associates is the right choice moving forward. This package includes a description of the firm, past experience, Schedule A detailing the recurring services with a summary of proposed service costs, and references.

We look forward to working with your organization and building a trusting relationship.

Kind regards,

*J.D. Watson & Associates*

Jason Watson, CPA, CA, LPA  
J.D. Watson & Associates

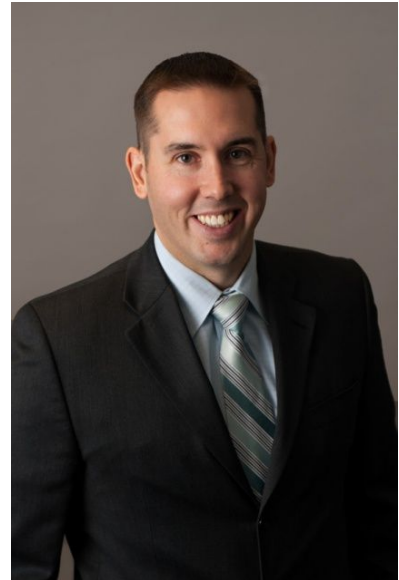


## ***WHY CHOOSE J.D. WATSON & ASSOCIATES?***

Our firm provides audit, review, taxation and CFO services for a few hundred businesses and individuals. Our fearless leader is Jason Watson, a Chartered Professional Accountant and entrepreneur at heart. He understands your drive to help others and is excited when meeting like minded driven professionals.

His career has spanned over two decades starting with a global manufacturer designing cutting edge electronics to working in Big 4 and mid public accounting firms as a Chartered Professional Accountant. His passion includes working with his clients to tailor unique assurance, accounting, taxation and bookkeeping strategies that provide value.

As the owner of J.D. Watson & Associates, he has compiled a team that works at building trusting relationships with each and every client. His vision is to provide consistent excellent service so you can get back to helping those in need.



***Jason Watson, CPA, CA***

Jason and his team understand how hard you work to build your organization. He brings with him years of experience in not-for-profit professional accounting services and is an active member in the community. He has three beautiful children and an amazing wife.

## ***AUDIT APPROACH***

The team will start by documenting the organizations existing processes and controls in place. Using this information, we will organize the testing based on the controls or lack thereof. The substantive testing will address the risky areas of the audit:

- Payments received/receivable versus actual funding from government sources,
- Expenses were used appropriately per funding contracts and allocated to the appropriate funds,
- Amounts unspent are reconciled with subsequent repayment to the original funder or a liability has been created at year end,
- Controls will also be tested to ensure the staff are performing per the executive directors and boards direction,
- Movements between unrestricted and restricted funds are consistent with the organizations board resolutions and/or guidelines,
- Review of meeting minutes and significant events throughout the year.
- Timing will include interim testing in the Fall and year end testing on subsequent February



## **ADVANTAGES OF OUR FIRM**

1. Direct line to a Chartered Professional Accountant, you will not be discussing your funding with a new employee each year,
2. Extensive experience in audits with a solid understanding of Canadian Accounting Standards for not-for-profit entities and fund based accounting.

## **PAST AUDIT EXPERIENCE:**

Over the years, the following audits have been performed:

- |                                       |   |
|---------------------------------------|---|
| 1) United Way Peterborough & District | 6) Human Society of Kawartha Lakes              |
| 2) Peterborough Chamber of Commerce   | 7) Peterborough Economic Development            |
| 3) North minster United Church        | 8) Peterborough Health Unit                     |
| 4) Kawartha Sexual Assault Centre     | 9) Community Opportunity and Innovation Network |
| 5) Nursery Two Childcare              |   |

## **EFFECTIVE DATES FOR NEW STANDARDS:**

### **PS 3400**

- Fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.
- This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

### **PS 1201**

- Fiscal years beginning on or after April 1, 2021
- This Section establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.

### **PS 3450**

- Fiscal years beginning on or after April 1, 2021
- This Section establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments (such as receivables, payables and equity instruments) and derivative financial instruments (such as financial options, futures and forwards, interest rate swaps and currency swaps). Derivative financial instruments meet the definition of a financial instrument



## **Schedule A - RECURRING SERVICES**

### ***ASSURANCE & ACCOUNTING SERVICES***

Completion of yearly audit in accordance with Canadian accounting standards.

In addition:

- Preparation and submission of December 31st audited financial statements in accordance with Canadian Accounting Standards, accompanying notes and individual schedules for each funded program.
- No additional charge for accounting services that include; set-up of known accruals; reversal of prior year accruals; preparation of amortization schedules; preparation of adjusting entries; and confirming opening balances agrees with prior year balances.
- Preparation of management and governance reporting letters including any matters of concern identified during the audit and/or internal control deficiencies
- Attendance of annual general meeting or other board meetings as necessary to present the financial results. Allowing the board to ask any questions with open dialogue to their auditor.
- Up to 12 hours of accounting assistance to the staff to ask questions throughout the year at no additional charge.
- Document and update our understanding of the organizations internal controls

### ***SUMMARY OF PROPOSED FEES & HOURS***

<b>Year End</b>	<b>Assurance Services</b>	<b>Estimated hours</b>
December 31, 2020	\$8,000	80
December 31, 2021	\$8,250	80
December 31, 2022	\$8,500	80



## REFERENCES

### 1. Nursery Two Child Care

Teresa Burke RECE  
Executive Director  
Nursery Two Child Care  
705-745-7553  
www.nurserytwochildcare.com

### 2. Millbrook & District Minor Hockey Association

Brian Field  
Treasurer  
905-442-1236  
www.millbrookhockey.com

## PROPOSAL SIGNATURE

I, Jason Watson have the authority to sign on behalf of J.D. Watson & Associates:



Feb 5, 2020

Signature

Date Signed

I have the authority to act on behalf of the organization:

Signature

Date Signed

Print Name

